

Durham Civic Center Authority Meeting Minutes

Tuesday, June 17, 2008

8:00am

The meeting was called to order at 8:00am with the following members present/absent:

Present: Patrick Byker, Robert Sinclair, Henry Sims, Al Bass, Billy Ruffin and Rob VanDewoestine,

Absent: George Stanziale

Owner's representation: Heidi York, Karmisha Wallace, Sharon DeShazo, Micheal Lynch, Al Walker and Sheila Huggins

Management Company present: Richard Brezinski, Jamie Frydlo, J.B. Griffin, from Shaner corporate Motion of approval for May 20, 2008 minutes moved by Henry Sims, seconded by Billy Ruffin, voted and agreed upon by all. J.B. Griffin, Shaner Corporate and Richard Brezinski the new general manager were introduced.

Action Items for July:

- New Shaner personnel request CIP submission for 2008/09 (updated by Ken and Dave).
- General Services to provide Shaner, DCCA and other stakeholders with CIP list Micheal is currently working from. All CIP requests will be funneled through Chris Boyer, Interim Director.

Status of June Action Items:

- Review Civic Center CIP submission for accuracy and eliminate redundancy. Discussion of CIP submission was held with Harmon Crutchfield facilitating. Future CIP discussions will be held separate from DCCA meetings with Mr. Crutchfield facilitating and including all stakeholders (Shaner, DCCA and City and County representatives).
- Authority to review mission statement submissions and return with comments. Authority will revisit summary of discussion regarding mission statements submitted which will include an addition from Robert Sinclair.

Meeting Details

Capital Project Update:

The Civic Center project is within budget, on schedule and is 75% complete. The "punch list" is ongoing and agreed upon for completion during the week of July 7 which mostly consists of wallpaper for the new grand ballroom and carpet end caps. Three courtesy phones were added in the new Grand Ballroom, HVAC provisions made, and moving existing CCTV camera in the pre-function corridor. Micheal continues to confer with Skanska on scheduling. There were items discovered needing replacement that were not included in the scope.

The design team (HEERY) is satisfied with design of floor utility boxes in the grand ballrooms. Micheal will communicate with Jamie regarding details on the standards to which they were designed. Operating procedures will be developed to protect and extend the useful life of the floor utility boxes and the new airwalls. A copy will be distributed to the Owners. A second training is underway for airwalls operations.

Recap of County Budget meeting:

- The Capital Improvement needs found in the September 2006 Basis of Design Report were discussed. The original project looked at two chillers; only one chiller was included in the project which will be evaluated. The County board agreed to fund half of the project design for 2008/09. Total design is \$1,176,000. The Design will produce construction documents and current designer (HEERY) will be used. The City and County will be paying \$588,000 each. Discussion is in preliminary stages of which Shaner's participation will be determined.
- County board would like a semi-annual report from the Durham Civic Center Authority.
 - Better understanding of Customer Service
 - Operations
- Would like the Authority to adopt a business plan
 - History of the business plan dates back to submission to Duke Fuqua School of Business which was withdrawn by the Authority in 2006. A second attempt was started with UNC Kenan-Flagler; but generated no results.
 - Options of paying for a business plan
 - Cost factor from private company - \$50,000
 - Local universities – approximately \$400 application fee and include gas for participates.
 - Mr. Simms suggested utilizing all local universities.
 - Patrick Byker will serve as contact for North Carolina State University's School of Business program.
 - Harmon Crutchfield will serve as contact for UNC Kenan-Flagler School of Business.
 - Rob VanDewoestine will go back to Fuqua to see if their work can be restarted.
- County board would like for the new General Manager to attend their next meeting.

Civic Center CIP Submission:

All stakeholders are seeking agreement on next steps in the CIP process.

- Communication and clarity regarding current submittal
- Harmon Crutchfield, General Services Business Manager will facilitate CIP meetings and communications.
- Who is responsible for performing specific duties regarding delivery of CIP status.
- Identify all stakeholders.
- Current Design team (HEERY) is planned to develop construction drawings.
- Need to identify completed items.
- Next discussion slated for July.

Management Company Status Report:

May produced favorable revenue results as Shaner was able to book key clients. The renovation of the Exhibit Hall into Ballroom space allowed the sales team to handle multiple events. Some events are now booked into 2013. Alisha Huber has been hired as the new sales manager. Also Shaner has a new customer satisfaction rating and is ranked 41 out of 336 properties. Jamie displayed new photos of the renovated grand ballrooms to go onto the website. The new logo and new name will be displayed on certain publications beginning in August 2008.

The Civic Center operating results for May showed revenue \$79,245 higher than budget but net income \$6,121 lower than budget due to high food cost expenses during the month. The 2007-08 forecast deficit is also predicted to be \$13,969 better than budget. Shaner will report to the owners reasons for

\$15,000 charged to small fixed assets for May. The board continues to praise Shaner for its financial efforts considering business interruption caused by construction.

Mission Statement:

The Authority discussed submissions and next steps in the process of developing a mission statement. Rate structure, negotiations and discounts are elements within the current mission which are difficult to explain. What is the direction of rates and subsidies (which are derived from tax dollars)? The more discounts offered, the more the City and County will need to subsidize. Rates should be in line with competition. Robert Sinclair will include additional comments based on what the Authority would like to achieve regarding the Civic Center's ability to make a profit. The next step in the process is to extract bullets from the mission statements and vote via email. The Authority would like the new General Manager to review the submittals prior to the Authority's vote.

Agenda for next meeting

In the absence of the chair at July's meeting, George Stanziale, vice chair has agreed to chair the meeting. Patrick Byker will be George's back-up if he is unable to attend.

- Status of Capital projects
- Management report
- CIP submissions
- Civic Center Mission Statement
- Business Plan
- Parking